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Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, SW, Room TWB-204
Washington, DC 20554

Re: Notice of Written Ex parte - DUF Charges: Joint Application of BellSouth for Provision of In-Region InterLATA Services in Georgia and Louisiana, CC Docket No. 01-277

Dear Ms. Salas:

This letter responds to the Commission Staff's request for additional information concerning BellSouth's Georgia and Louisiana Daily Usage File ("DUF") charges. In its Comments, AT&T Corp. ("AT&T") compared BellSouth's Georgia and Louisiana per line monthly DUF charges with the charges imposed by the incumbent local exchange carriers ("ILECs") in Pennsylvania and other states that have received Section 271 approval, and concluded that BellSouth's DUF charges far exceed the equivalent charges in these other states. In its Reply Comments, BellSouth suggests that a monthly "per port" charge in Pennsylvania should be reflected in the analysis. BellSouth's ex parte presentation, submitted on November 8, 2001, also refers to certain "DUF Transport" charges.¹ The Staff requested clarification of these "DUF Transport" and "per port" charges, and asked about the role these charges played in AT&T's analysis.

The Pennsylvania "per port charges" to which BellSouth's Reply Comments refer appear to be the same as the "DUF Transport" charges identified in the Bell Atlantic (now Verizon) Tariff attached to BellSouth's ex parte submission. See BellSouth's *Nov. 8 Ex Parte*, at 2. Verizon's "DUF Transport" charges recover costs for capacity on dedicated trunks that CLECs may purchase from incumbent local exchange carriers ("ILECs").²

¹ See *Ex Parte* Letter from Glenn T. Reynolds, BellSouth, to Magalie Roman Salas, FCC Secretary, CC Docket No. 01-277 (Nov. 8, 2001) ("*Nov. 8 Ex Parte*") attaching excerpts from the Pennsylvania tariff.

² In Georgia, Louisiana and Pennsylvania, dedicated trunks are available more generally as Direct Connect Trunks in special access tariffs from which AT&T purchases this functionality.

These dedicated trunks enable CLECs to receive various electronic data transmissions from the ILECs, including data relating to access services, such as usage volumes.³

AT&T's DUF charge comparison focuses on whether the charges produced by BellSouth's per message DUF rates for Georgia and Louisiana, as applied to AT&T, are overstated when compared with the charges produced by the ILECs' per message DUF rates in other Section 271 approved states. AT&T's comparison excludes the costs of capacity on Direct Connect Trunks or their functional equivalents for all states across the board because AT&T and many other CLECs, do not purchase additional trunk capacity from ILECs in order to receive DUF records.⁴ Rather, AT&T and other similarly situated CLECs receive DUF records over existing dedicated trunks that are already used to receive access data and other electronic data transmissions from ILECs. AT&T's analysis thus provided a valid "apples to apples" comparison of DUF charges in Georgia, Louisiana with the DUF charges in other Section 271 approved states.

AT&T's comparison shows that BellSouth's DUF charges are *more than double* those of other ILECs that have received Section 271 approval. They are also out of line with the DUF charges BellSouth itself has proposed in the generic rate case now pending before the Georgia Public Service Commission. BellSouth's tariffed rates in Georgia and Louisiana produce DUF charges that are *more than double* those that BellSouth now claims are TELRIC-compliant in the Georgia generic rate proceeding. At a minimum, BellSouth should replace the DUF rates currently appearing in its Georgia SGAT with the lower DUF rates it now advocates in the Georgia proceedings. That action would at the very least render consistent BellSouth's conflicting claims in these state and federal proceedings.⁵

³ For example, Section 6.2.1 & 6.2.2 of BellSouth's interconnection agreement with Z-Tel Communications, Inc. (provided in Appendix B to BellSouth's Joint Application) states:

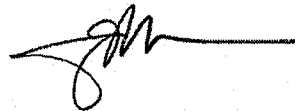
The Optional Daily Usage File will be distributed to Z-Tel via an agreed medium with CONNECT:Direct being the preferred method. . . . Data circuits (private line or dial-up) may be required between BellSouth and Z-Tel for the purpose of data transmission. Where a dedicated line is required, Z-Tel will be responsible for ordering the circuit, overseeing its installation and coordinating the installation with BellSouth. Z-Tel will also be responsible for any charges associated with this line. Equipment required on the BellSouth end to attach the line to the mainframe computer to transmit successfully ongoing will be negotiated on a case by case basis.

⁴ BellSouth also suggests that the Texas DUF charge in AT&T's analysis fails to account for "a variety of per message rates that *may or may not* apply in certain circumstances." *Ruscilli/Cox Reply Aff.* ¶ 29. AT&T's DUF charge comparison accounts for that possibility as well, by using the rates that AT&T actually pays (or would actually pay) to receive DUF records in different states, including Texas.

⁵ This approach would also comport with the Louisiana Public Service Commission's recent order requiring BellSouth to replace the inflated DUF rate in its Louisiana SGAT with a lower DUF rate that reflects updated demand data. *See Ex Parte* Letter from Glenn T. Reynolds, BellSouth, to Magalie Roman Salas, FCC Secretary, CC Docket No. 01-277 (dated November 30, 2001).

Consistent with Commission rules, I am filing one electronic copy of this letter and request that you place it in the record of the referenced proceeding. As this is in response to a Staff request for clarification, the 20-page limit does not apply, as set forth in DA 01-2286.

Sincerely,

A handwritten signature in black ink, appearing to be 'JM' followed by a horizontal line.

Joan Marsh

cc: Jessica Rosenworcel
Aaron Goldberger
Rich Lerner
Deena Shetler
Susan Pie